

FISCAL NOTE

SB 1974 - HB 2158

March 5, 2007

SUMMARY OF BILL: Requires the Department of Revenue (DOR) to bear the burden of proof regarding the accuracy of a taxpayer's records, for the purpose of projecting sales from wholesale purchases, as it applies to taxes levied on alcoholic beverages sold for consumption on premises.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – \$102,000 Recurring
\$1,000 One-Time**

Assumptions:

- The DOR would require two additional Tax Auditor 3 personnel to monitor compliance and distribute funds.
- A recurring increase in state expenditures for salary, benefits and operational expenses for two positions (\$51,000 x 2) and a one-time increase in state expenditures for supplies and equipment (\$1,000).
- According to DOR, additional litigation could arise as a result of this legislation.
- This bill would have no effect on the Tennessee Alcoholic Beverage Commission.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



SB 1974 - HB 2158

James W. White, Executive Director